

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 82 – HB 55

February 20, 2013

SUMMARY OF ORIGINAL BILL: Requires county or municipal solid waste authorities to account for financial activities in accordance with generally accepted accounting principles (GAAP). Requires sufficient detail in the annual financial report of a solid waste authority to explicitly identify revenue and expenditures, when such authority does not utilize a separate special revenue fund for identifying revenue and expenditures.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (003534): Deletes all language after the enacting clause. Requires county or municipal solid waste authorities to account for financial activities in accordance with GAAP. Requires activities related to the management of solid waste be accounted for in either a special revenue or enterprise fund, unless prohibited by GAAP, and if prohibited, then such financial activities may be accounted for in the general fund, as a separate department or program, if sufficient detail is included to identify revenue and expenditures related to solid waste management. Requires counties, solid waste authorities and municipalities operating a landfill and/or an incinerator to account for financial activities in an enterprise fund. Requires use of a uniform financial accounting system and chart of accounts developed by the Comptroller of the Treasury. Prohibits the release of state funds for solid waste management, unless the related financial activities are accounted for in accordance with GAAP.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- GAAP is the current accounting practice for the majority of solid waste authorities.
- All required entities will comply with the accounting provisions proposed by the bill as amended.

- Any increase in local government expenditures as a result of a limited number of solid waste authorities changing to GAAP rules and standards is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

/cce